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COLLECTION OF CABINET DECISIONS PERTAINING TO MANCHURIA  
(July 1939)

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The outline of the establishment of heavy industry in Manchukuo.

(The decision of the cabinet meeting on Oct. 22, 12 Showa, 1937).

The Policy.

Considering from the present internal and external circumstances, it is urgently necessary to expand the industrial abilities centered on the heavy industry. Therefore, in order to secure and advance the developing policy of Manchurian industry and to establish synthetically and speedily the heavy industry of Manchukuo, the form of enterprises must be renovated, the advancement of powerful internal and external capitals induced, and under the national administration the executive abilities must be fully displayed in the following line and thereby contribute to the future development of Japanese and Manchurian economics.

Outline.

1. With the assistance of the Japanese and Manchurian government, a powerful company of a national political nature will be established with the synthetical operation of heavy industry as its aim, so as to establish and develop the heavy industry.
2. The Manchurian government will invest half the amount, and the other half will be investigated by the privates. The privates mentioned in the above article is scheduled for the Nissan at present. (The present capital of the Nissan being about ¥ 225,000,000 and the approximate number of shareholders is 50,000.)
3. The present company will generally invest dominantly on the following enterprises and will take the leadership in their operations.
  - (a) Iron and steel industry.
  - (b) Light metal industry.
  - (c) Heavy industry (constructing industry of motor cars and aeroplanes)
  - (d) Coal mining.

Allonge: Bujun coal mine of the Manchurian Railway is exempted at present from coal mining.

The present company may invest in and manage annexedly the enterprises relating to gold mining, zinc, lead, copper, and other mining industry.

The Manchurian government will transfer gradually the now existing companies executing such enterprises as prescribed in (a) and (b) articles to the supervision of the present company, and companies having

relations to the enterprises prescribed in the (a) to (d) articles, when newly established, will also be put under the supervision of the present company. The investments of the Manchurian Railway on the enterprises of the above-mentioned nature will be adjusted according to the preceding article on the agreement of the present company.

5. The participation of foreign funds in the above-mentioned enterprises will be permitted, and the investment of foreign funds are to be devised as well as the foreign technique and equipment. Special stress shall be laid on this as an important matter in the present policy.
6. The foreign funds may participate in each respective company within the limit of possessing half the right of voting, and concerning the present company, it may participate as a stock fund only in shares without the right of voting.  
Investments as debentures and in forms of other loans are not restricted.
7. The general capitals of Japan and Manchukuo may participate appropriately in each enterprising company.
8. The Japanese and Manchurian government will give accommodation and assistance to the utmost as to the utilization of the capital transferred from Nissan to the present company, and in the obtaining of necessary capitals in the future.
9. The Manchurian government will think of some suitable good treatment towards the investments in the present company and in the respective companies made by the Japanese and Manchurian privates or by the foreign countries, and the Japanese government will assist in the trusting advancement of these capitals towards Manchukuo in ways such as facilitating the circulation of the shares of the concerning companies in the home market.
10. The Nittetsu and the present company will participate reciprocally in the capitals concerning the iron and steel industry.
11. The management of the present company will be entrusted to a powerful suitable person among the Japanese civilians.  
*Allonge:* The powerful-suitable person among the Japanese civilians is pre-arranged as Aynkawa Gisuke, the present president of Nissan, at present.
12. The Manchurian government will adopt adequate supervising methods over the present company and other enterprising companies, and will hold a close communication with the Japanese government concerning the above supervision.
13. On importing the products of the above-mentioned companies into the domains of Japan, the Japanese government will not in reality handle them as foreign goods in relation to customs duties and other things.